

15 August 2005

ICO NORTH AMERICA, INC.

THE BANK OF NEW YORK
(as agent and trustee for the Secured Parties)

MORTGAGE OF SECURITIES



FRESHFIELDS BRUCKHAUS DERINGER

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MORTGAGE made on 15 August 2005

BETWEEN:

- (1) **ICO NORTH AMERICA, INC.**, a Delaware corporation, having its address at 3468 Mt. Diablo Blvd., Suite B-115, Lafayette, CA 94549, USA (the *Mortgagor*); and
- (2) **THE BANK OF NEW YORK** (the *Collateral Agent*), a New York banking corporation having its address at 101 Barclay Street, 8FL. W, New York, N.Y. 10286, USA, as agent and trustee for the Secured Parties (as defined herein) pursuant to the Collateral Trust Agreement (as defined herein).

WHEREAS:

- (A) The Mortgagor, the Companies, the Parent, and inter alia the Indenture Trustee and the Collateral Agent have entered into a collateral trust agreement dated 15 August 2005 (the *Collateral Trust Agreement*).
- (B) This is one of the Security Documents referred to in the Collateral Trust Agreement.
- (C) The Mortgagor enters into this Mortgage as a condition to the Secured Parties making funds available pursuant to the Secured Debt Documents (as defined below).
- (D) This Mortgage is in addition, and without prejudice, to the Security and Pledge Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Collateral Trust Agreement bear the same meanings when used herein. In this Mortgage:

Companies means:

- (a) ICO Services Limited, a private limited company incorporated in England and Wales (registered no. 03045294) having its registered office at 269 Argyll Avenue, Slough, Berkshire SL1 4HE, England; and
- (b) ICO Satellite Services Limited, a private limited company incorporated in England and Wales (registered no. 04367509) having its registered office at 269 Argyll Avenue, Slough, Berkshire SL1 4HE, England;

FCC means the United States Federal Communications Commission;

FCC Licence has the meaning given to it in the Collateral Trust Agreement;

Governmental Authority means any nation or government, any state, provincial or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

Indebtedness has the meaning given to it in the Collateral Trust Agreement;

Indenture Trustee means The Bank of New York or any other person from time to time who acts as trustee for the Noteholders under the Note Indenture;

Intercompany Receivables means:

- (a) an intercompany debt in the amount of £10,718,000 payable by the Ultimate Parent to ICO Services Limited; and
- (b) a currently partly contingent intercompany debt in the amount of £5,510,000 payable by ICO Satellite Limited (a private limited company registered in England and Wales with company number 05474250) which arises pursuant to a sale and purchase agreement between ICO Services Limited and ICO Satellite Limited dated 30 June 2005;

Mobile Communications System has the meaning given to it in the Collateral Trust Agreement;

Note Indenture means the instrument dated 15 August 2005 pursuant to which the Mortgagor agreed to issue the Notes to the Noteholders;

Noteholders means the holders of the Notes from time to time;

Notes means the 7.5% convertible senior secured notes due 2009 to be issued by the Mortgagor to the Noteholders pursuant to the Note Indenture;

Original Securities means the securities listed in the Schedule which are all registered in the name of the Mortgagor and excludes the Preference Shares;

Parent means ICO Global Communications (Holdings) Limited, a Delaware corporation;

Preference Shares means that part of ICO Services Limited's authorised share capital consisting of US\$600 divided into 60,000 preference shares of US\$0.01 each of which 30,000 preference shares have been issued and are fully paid up;

Permitted Reorganisation means the Reduction of Capital and the subsequent proposed distribution by ICO Services Limited by way of dividend in specie to the Mortgagor of the Intercompany Receivables;

Reduction of Capital means the proposed reduction of capital of ICO Services Limited under and in accordance with Part V, Chapter IV of the Companies Act 1985 pursuant to which ICO Services Limited will cancel the Preference Shares and its share premium account in order to create distributable profits;

Secured Debt Documents has the meaning given to it in the Collateral Trust Agreement;

Secured Liabilities means:

- (a) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Mortgagor under clause 2 of this Mortgage;

- (b) all banking, legal and other costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Secured Debt Documents or such other document evidencing or securing any such liabilities; and
- (c) all losses and damages sustained, suffered or incurred by any Secured Party arising out of or in connection with any act, matter or thing done or omitted to be done by the Mortgagor under this Mortgage or any Secured Debt Document,

provided that this shall not include any obligation or liability which, if it were so included, would result in this Mortgage contravening Section 151 of the Companies Act 1985;

Security and Pledge Agreement means the security and pledge agreement between the Mortgagor and the Collateral Agent dated 15 August 2005 governed by the law of the State of New York, USA, pursuant to which the Mortgagor granted to the Collateral Agent a Security Interest in and to inter alia the Security Shares;

Secured Obligations has the meaning given to it in the Collateral Trust Agreement;

Secured Parties has the meaning given to it in the Collateral Trust Agreement;

Security Agreement has the meaning given to it in the Collateral Trust Agreement;

Security Interest means any mortgage, charge, pledge, lien, hypothecation, security assignment or other security interest or any other agreement, trust or arrangement (including a right of set-off or combination) having a similar effect in any jurisdiction and any proprietary interest over an asset, or any contractual arrangement in relation to an asset, in each case created in relation to Indebtedness and which has the same commercial effect as if security has been created over it;

Security Period means the period beginning on the date of this Mortgage and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and

Security Shares means the Original Securities and all and any other shares, securities, rights, moneys and property for the time being mortgaged or charged to the Collateral Agent pursuant to clause 3 and, subject to clause 12, excludes the Preference Shares.

1.2 Construction

- (a) The principles of construction set out in section 1.2 of the Collateral Trust Agreement apply to this Mortgage, as if they were set out in this Mortgage.
- (b)
 - (i) The term *Secured Debt Document* includes all amendments and supplements including supplements providing for further advances;
 - (ii) the term *this Security* means any security created by this Mortgage; and
 - (iii) *mortgage* includes a transfer or assignment by way of mortgage.
- (c) Any covenant of the Mortgagor under this Mortgage (other than a payment obligation) remains in force during the Security Period.

- (d) References to the Mortgagor, the Collateral Agent or the Secured Parties include references to any person for the time being deriving title under each of them respectively.
- (e) References to the Original Securities or to the Security Shares include references to any of them.
- (f) Clause headings are for ease of reference only.

2. COVENANT TO PAY

2.1 Covenant to Pay

The Mortgagor, as primary obligor and not merely as surety, covenants with the Collateral Agent (as agent and trustee as aforesaid) that it will on demand pay or discharge all of its liabilities in respect of the Secured Obligations on the date or dates on which such liabilities are expressed to become due or apply and in the manner provided for by the Collateral Trust Agreement and the relevant Secured Debt Document.

3. MORTGAGE

3.1 Mortgage

The Mortgagor, with full title guarantee, and in addition, and without prejudice, to the provisions of the Security and Pledge Agreement, hereby assigns and transfers absolutely by way of first fixed mortgage and agrees to mortgage and charges and agrees to charge to the Collateral Agent as a continuing security for the payment and discharge of the Secured Liabilities:

- (a) the Original Securities;
- (b) any other shares in the capital of the Companies which are beneficially owned by the Mortgagor, excluding, subject to clause 12, the Preference Shares;
- (c) any other securities which the Mortgagor may, with the prior written consent of the Collateral Agent, from time to time substitute for all or any of the Original Securities; and
- (d) all other securities and all rights, moneys (including, without limitation, dividends) and property whatsoever which may from time to time at any time be derived from, accrue on or be offered in respect of the Original Securities or the other securities referred to in clause 3.1(c) whether by way of redemption, exchange, conversion, rights, bonus, capital reorganisation or otherwise howsoever.

The Mortgagor will, if reasonably required to do so by the Collateral Agent, procure that the Collateral Agent or its nominee becomes registered as the legal owner of the Security Shares

3.2 Continuing and primary security

- (a) This Mortgage shall be a continuing security, and shall be in addition to and shall not affect any continuing liens or other Security Interests to which the Collateral Agent is or will be entitled on such of the certificates or other documents of title to the Security

Shares as may have been or may be deposited with or to the order of the Collateral Agent which liens and other Security Interests shall remain in force independently of this Mortgage.

- (b) The Security Shares are hereby deposited and mortgaged to the Collateral Agent as primary and not as collateral security.
- (c) Subject to the provisions of clause 10(b) the liabilities and obligations of the Mortgagor under this Mortgage and the security constituted by this Mortgage shall remain in force notwithstanding any act, omission, neglect, event or matter whatsoever, except the proper and valid payment and discharge of all the Secured Liabilities and, subject to clause 3.2(d) below, an absolute discharge or release of the Mortgagor signed by the Collateral Agent in accordance with the Collateral Trust Agreement; and without prejudice to its generality, the foregoing shall apply in relation to anything which would have discharged the Mortgagor (wholly or in part) or which would have afforded the Mortgagor any legal or equitable defence, and in relation to any winding up or dissolution of, or any change in constitution or corporate identity or loss of corporate identity by, the Mortgagor or any other person.
- (d) Any such discharge or release referred to in clauses 3.2(c) or 10 and any composition or arrangement which the Mortgagor may effect with any of the Collateral Agent or the Secured Parties, shall be deemed to be made subject to the condition that it will be void, if any payment or security which any of the Collateral Agent and the Secured Parties (or any of them) may previously have received or may thereafter receive from any person in respect of the Secured Liabilities is set aside under any applicable law or proves to have become or been for any reason invalid.
- (e) Without prejudice to the generality of clause 3.2(c), none of the liabilities or obligations of the Mortgagor under this Mortgage shall be impaired, and the security constituted by this Mortgage shall not be impaired, by the Collateral Agent and the Secured Parties (or any of them):
 - (i) agreeing with the Mortgagor any variation or departure (however substantial) of or from the Secured Debt Documents so that any such variation or departure (including any which may have been made before the execution of this Mortgage) shall, whatever its nature, be binding upon the Mortgagor in all circumstances, notwithstanding that it may increase or otherwise affect the liability of the Mortgagor or the Secured Liabilities;
 - (ii) releasing or granting any time or any indulgence whatsoever to the Mortgagor or any other person and, in particular, waiving any of the terms of the Secured Debt Documents or any contravention by the Mortgagor of the Secured Debt Documents, or entering into any transaction or arrangements whatsoever with or in relation to the Mortgagor and/or any third party;
 - (iii) taking, accepting, varying, dealing with, enforcing, abstaining from enforcing, surrendering or releasing any security for the Secured Liabilities in such manner as it or they think fit, or claiming, proving for, accepting or transferring any payment in respect of the Secured Liabilities in any composition by, or winding up of, the Mortgagor, and/or any third party or abstaining from so claiming, proving, accepting or transferring.

- (f) Rights may be exercised and demands may be under this Mortgage from time to time, and the liabilities and obligations of the Mortgagor and the rights and security contained in this Mortgage under this Mortgage may be exercised and enforced, irrespective of:
 - (i) whether any demands, steps or proceedings are being or have been taken against the Mortgagor and/or any third party; or
 - (ii) whether or in what order any security to which the Collateral Agent or the Secured Parties may be entitled in respect of the Secured Liabilities is enforced.
- (g) The rights of the Collateral Agent and the Secured Parties under this Mortgage shall be in all respects several, and references in this Mortgage to the Collateral Agent and the Secured Parties shall include references to any one or more of them. Should any one or more of them fail to perform obligations under or in connection with the Secured Debt Documents or any other document, that shall in no way affect the rights of the others of them under this Mortgage or the security contained in this Mortgage.

3.3 Limitations

- (a) Notwithstanding anything to the contrary in clause 3.1:
 - (i) in the case of any Security Shares that consist of general or limited partnership interests in a general or limited partnership, or partnership assets, or membership interests in a limited liability company, the Security Interest hereunder shall be deemed to be created, and the Collateral Agent only to the maximum extent permitted under the applicable organisational instrument pursuant to which such partnership or limited liability company is formed;
 - (ii) in no event shall the security interest granted under clause 3.1 attach to any lease, licence, contract, property rights or agreement to which the Mortgagee is a party (or to any of its rights or interests thereunder) if the grant of such security interest would (i) constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the Mortgagee therein; or (ii) constitute or result in a breach or termination pursuant to the terms of, or a default under, any such lease, licence, contract, property rights or agreement, in each case except to the extent that any such term would be rendered ineffective pursuant any applicable provision of law;
 - (iii) in no event shall the security interest granted under clause 3.1 extend at any time to any FCC Licences to the extent (but only to the extent) that at such time the Collateral Agent may not validly possess a Security Interest therein pursuant to applicable Federal law, including the Communications Act of 1934, as amended, and the regulations promulgated thereunder, as in effect at such time, but the exclusion of such a security interest shall not extend to the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of the FCC Licences.

3.4 Restrictions

- (a) Subject to clause 10, the Mortgagor will comply with any restrictions on or prohibitions against the sale, assignment, transfer, exchange, disposition or grants of options in the Security Shares or any portion thereof contained in the Secured Debt Documents (and solely for the purposes of this sentence, the term "Secured Debt Documents" shall not include this Mortgage or any other Security Agreement in favour of the Collateral Agent). The Mortgagor shall not create, incur or permit to exist any Security Interest or option in favour of, or any claim of any person with respect to, any of the Security Shares or any interest therein except for Security Interests defined as "Permitted Liens" in any Secured Debt Document, the Security Interest created under this Mortgage and the Security Interest created under the Security and Pledge Agreement. The Mortgagor shall not enter into any agreement or undertaking restricting the right or ability of the Mortgagor or the Collateral Agent to sell, assign or transfer or vote any of the Security Shares or any interest therein; except as permitted by the Secured Debt Documents.
- (b) The Mortgagor will amend the articles of association of the Companies in the manner reasonably required by the Collateral Agent (and procure that the Companies take, or omit to take, all such other steps as the Collateral Agent may require) in order to enable it to enforce its security without restriction.

3.5 Collateral Agent

The Collateral Agent holds the benefit of this Mortgage on trust for itself and the other Secured Parties in accordance with the terms of the Collateral Trust Agreement.

4. WARRANTIES AND UNDERTAKINGS

4.1 Representations and Warranties

The Mortgagor represents and warrants that:

- (a) it is the sole legal and beneficial owner of all the Original Securities free of all Security Interests, encumbrances, trusts, equities and claims whatsoever (save for those Security Interests created under this Mortgage and under the Security and Pledge Agreement) and that all the Original Securities are fully paid up;
- (b) it is or will be at such later time at which the relevant Security Shares (other than the Original Securities) become the subject of this Mortgage the sole legal and beneficial owner of all the Security Shares (other than the Original Securities) free from all Security Interests, encumbrances, trusts, equities and claims whatsoever (save under this Mortgage and under the Security and Pledge Agreement) and that all the Security Shares are or will at such date be fully paid-up;
- (c) the Original Securities are all currently registered in the name of the Mortgagor and represent the entire issued ordinary share capital of the Companies; and
- (d) the Security Shares are free from any Security Interest of any kind (other than the Security Interest under this Mortgage and under the Security and Pledge Agreement) and the Security Shares are not, nor shall they be, subject to any option.

4.2 Undertakings

- (a) The Mortgagor undertakes that promptly upon execution of this Mortgage it will take such action as the Collateral Agent shall deem reasonably necessary or appropriate to perfect the security created under this Mortgage under the laws of England and Wales.
- (b) The Mortgagor will promptly pay all calls, instalments or other payments which from time to time become due in respect of any of the Security Shares, and the Collateral Agent will not in any circumstances incur any liability in respect of them.
- (c) Subject to clause 3.4(a), and save where permitted by the Secured Debt Documents, the Mortgagor will not permit the Companies to:
 - (i) cancel, increase, create, issue or put under option (i) any share capital or (ii) any loan capital convertible into shares; or
 - (ii) make any alteration to, grant any rights in relation to or otherwise re-organise, purchase or reduce its share capital or reserves in any way,
 other than pursuant to the Reduction of Capital.
- (d) The Mortgagor will notify the Collateral Agent as soon as it becomes aware of any matter which might reasonably be expected to have an adverse effect on the rights of the Collateral Agent under the Security Interest created under this Mortgage. Those matters include a claim by any person other than the Collateral Agent to an interest in the Security Shares.
- (e) The Mortgagor will provide to the Collateral Agent:
 - (i) such information about the Security Shares;
 - (ii) such information about the extent to which it has complied with its obligations under this Mortgage; and
 - (iii) copies of such documents which create, evidence or relate to the Security Shares,
 as the Collateral Agent may from time to time reasonably request.
- (f) If the Mortgagor does not comply with its obligations under this Mortgage, the Collateral Agent may do so on the Mortgagor's behalf on such basis as the Collateral Agent may reasonably decide. The Mortgagor will indemnify the Collateral Agent on demand against the amount certified by the Collateral Agent to be the cost, loss or liability suffered by it as a result of doing so.

5. DIVIDENDS AND VOTING

- (a) So long as no Actionable Default shall have occurred and be continuing and except as otherwise provided in the Collateral Trust Agreement, the Mortgagor shall have the right to exercise all voting, consensual and other powers of ownership pertaining to Security Shares for all purposes not inconsistent with the terms of this Mortgage, the Note Indenture and the Collateral Trust Agreement or any other instrument or agreement referred to herein or therein, provided that the Mortgagor agrees that it will not vote the Security Shares in any manner that is inconsistent with the terms of this

Mortgage, the Note Indenture or the Collateral Trust Agreement; and the Collateral Agent shall execute and deliver to the Mortgagor or cause to be executed and delivered to the Mortgagor all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Mortgagor may reasonably request for the purpose of enabling the Mortgagor to exercise the rights and powers which it is entitled to exercise pursuant to this clause 5.

- (b) Except as otherwise provided in this Mortgage or the Collateral Trust Agreement, the Mortgagor shall be entitled to receive and retain any dividends, distributions or proceeds on the Security Shares paid in cash.
- (c) If any Actionable Default shall have occurred and be continuing:
 - (i) all dividends and other distributions on the Security Shares shall be paid directly to the Collateral Agent and retained by it as part of the Security Shares, subject to the terms of this Mortgage and the Collateral Trust Agreement, and, if the Collateral Agent shall so request in writing, the Mortgagor agrees to execute and deliver to the Collateral Agent appropriate additional dividend, distribution and other orders and documents to that end; and
 - (ii) the Collateral Agent shall be entitled to exercise all voting and other rights in respect of the Security Shares.

6. POWER OF ATTORNEY

The Mortgagor hereby irrevocably and by way of security for the payment by it of the Secured Liabilities and the performance of its obligations under the Secured Debt Documents and this Mortgage appoints the Collateral Agent as its true and lawful attorney (with full power to appoint substitutes and to sub-delegate) on behalf of the Mortgagor and in the Mortgagor's own name or otherwise, at any time and from time to time, to sign, seal, deliver and complete all transfers, renunciations, proxies, mandates, assignments, deeds and documents and do all acts and things which the Collateral Agent may, in its sole and absolute discretion, consider to be necessary or advisable to perfect or improve its security over the Security Shares or to give proper effect to the intent and purposes of this Mortgage or to enable or assist in any way in the exercise of any power of sale of the Security Shares (whether arising under this Mortgage or implied by statute or otherwise).

7. SALE

- (a) On or any time after the occurrence of an Actionable Default and without prior notice to the Mortgagor, the Collateral Agent may exercise all the powers and rights of a mortgagee conferred by statute or otherwise and (without prejudice to the generality of the foregoing) may sell or otherwise dispose (and instruct any nominee of the Collateral Agent or the Mortgagor to sell or otherwise dispose) of all the title to and interest in the Security Shares or (as the Collateral Agent may elect and without prejudice to any later exercise of this power) the whole or part of the equitable interest divested of the legal title for such consideration (which may comprise or include shares or debentures), upon such terms and generally in such manner as the Collateral Agent may, in its sole and absolute discretion, think fit.

- (b) The provisions of the Law of Property Act 1925 (or any statutory re-enactment, variation or modification thereof or any law of similar effect in any jurisdiction) relating to the power of sale conferred by that Act are hereby varied so that section 103 shall not apply, and such provisions are hereby extended as set out in clause 7(a).
- (c) Neither the Collateral Agent nor the Secured Parties shall be liable for any loss or damage occasioned by any sale or disposal of the Security Shares (or interest therein) or arising out of the exercise of or failure to exercise any of their powers under this Mortgage or for any neglect or default to pay any instalment or accept any offer or notify the Mortgagor of any such matter or for any other loss of any nature whatsoever in connection with the Security Shares.
- (d) To the extent permitted by law, the Collateral Agent and Secured Parties shall incur no liability as a result of the sale of the Security Shares, or any part thereof, at any private sale conducted in a commercially reasonable manner. The Mortgagor hereby waives any claims against the Collateral Agent or any Secured Party arising by reason of the fact that the price at which the Security Shares may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Liabilities, even if the Collateral Agent accepts the first offer received and does not offer the Security Shares to more than one offeree.
- (e) All moneys arising from the exercise of the powers of the Collateral Agent or the Secured Parties shall be applied in the manner prescribed for in Section 3.4 of the Collateral Trust Agreement.

8. REGULATORY MATTERS

- (a) Notwithstanding anything to the contrary contained in this Mortgage:
 - (i) the Collateral Agent will not take any action hereunder that would constitute or result in any transfer of control or assignment of the FCC Licences without obtaining all necessary FCC and other Governmental Authority approvals; and
 - (ii) the Collateral Agent shall not foreclose on, sell, assign, transfer or otherwise dispose of, or exercise any right to control the FCC Licences as provided herein or take any other action that would affect the operational, voting, or other control of either of the Companies, unless such action is taken in accordance with the provisions of the United States Communications Act of 1934, as from time to time amended, and the rules, regulations and published policies of the FCC and any other Governmental Authority.

9. OTHER SECURITY ETC.

- (a) Section 93 of the Law of Property Act 1925 (restricting rights of consolidation of mortgages) (or any statutory re-enactment, variation or modification thereof or any law of similar effect in any jurisdiction) shall not apply in relation to this Mortgage.
- (b) This security is in addition to and shall not affect or be merged in any bills, notes, guarantees, indemnities, undertakings, Security Interests, or other security whatsoever which any of the Collateral Agent or the Secured Parties may hold now or hereafter in connection with the Secured Debt Documents or the obligations of any other person liable for any of the Secured Liabilities.

10. RELEASE AND REASSIGNMENT

- (a) At such time as the Mortgagor shall have no further obligations, (actual or contingent, present or future, joint or several) under or in connection with the Secured Debt Documents and none of the Secured Liabilities remains outstanding, the Collateral Agent shall, in accordance with the terms of the Collateral Trust Agreement and at the request and cost of the Mortgagor execute such documents and procure that its nominees execute such documents as the Mortgagor may reasonably request and which may be required to reassign (subject to the provisions of clause 3.2(d)) all its then right, title and interest in and to such of the Security Shares then held by the Collateral Agent (or its nominee) to the person entitled to the Security Shares. The Collateral Agent may require the transferee to accept delivery, transfer or registration of other securities of the same type, class and denomination in lieu of the Security Shares and ensure that its nominees (if any) do likewise.
- (b) Upon the sale, assignment, transfer or conveyance of any Security Share in accordance with the provisions of Section 5.1(a)(ii) or (iii) of the Collateral Trust Agreement, the Security granted hereby shall terminate as to such Security Share; provided that the Security of the Collateral Agent in any proceeds from the sale, assignment, transfer or conveyance of such Security Share shall continue unless otherwise specifically provided for herein.

11. RELATIONSHIP WITH SECURITY AND PLEDGE AGREEMENT

This Mortgage and the Security created herein is in addition, and without prejudice, to the Security and Pledge Agreement and the Security Interests created therein over and in respect of the Security Shares.

12. PERMITTED REORGANISATION

- (a) The Collateral Agent and the Secured Parties hereby agree to, permit and consent to the Permitted Reorganisation.
- (b) In the event that the Permitted Reorganisation does not proceed, the Mortgagee shall forthwith inform the Collateral Agent of that fact, whereupon the Preference Shares shall and shall be deemed to form part of the Security Shares, and the definition of Security Shares shall be construed accordingly.

13. CHANGES TO THE PARTIES

13.1 The Mortgagor

The Mortgagor may not assign or transfer any of its rights or obligations under this Mortgage without the prior consent of the Collateral Agent.

13.2 The Secured Parties

- (a) Any Secured Party may assign or otherwise dispose of all or any of its rights under this Mortgage in accordance with the Secured Debt Documents to which it is a party.
- (b) References to the Collateral Agent in this Mortgage include any successor Collateral Agent appointed under the Collateral Trust Agreement.

14. MISCELLANEOUS

14.1 Tacking

Each Secured Party must perform its obligations under the Secured Debt Documents (including any obligation to make available further advances).

14.2 Severability

If a provision of this Mortgage is or becomes illegal, invalid or unenforceable in any jurisdiction in respect of the Mortgagor, that shall not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Mortgage; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Mortgage.

14.3 Perpetuity

The perpetuity period applicable hereto under the rule against perpetuities shall be the period of eighty years from the date of these presents and every power, authority or discretion to which the said rule applies which is conferred upon the Collateral Agent or any other person by these presents shall only be exercisable during that period.

15. GOVERNING LAW AND JURISDICTION

15.1 Governing law

This Mortgage shall be governed by and construed in accordance with English law.

15.2 Jurisdiction

- (a) For the benefit of the Collateral Agent and the Secured Parties, the Mortgagor agrees that the courts of England have jurisdiction to settle any disputes which may arise out of or in connection with this Mortgage and that any suit, action or proceedings in connection with this Mortgage may be brought in the courts of England and accordingly irrevocably submits to the jurisdiction of the courts of England.
- (b) The agreement contained in clause 15.2(a) above is included for the benefit of the Collateral Agent and the Secured Parties who shall retain the right to take proceedings in any other courts (including the courts of the State of New York, USA to whose jurisdiction the Mortgagor irrevocably submits) with jurisdiction. To the extent permitted by law, the Collateral Agent and the Secured Parties may take concurrent proceedings in any number of jurisdictions.
- (c) The Mortgagor agrees that a judgment or order or any court referred to in this clause 15.2 is conclusive and binding and may be enforced against it in the courts of any other jurisdiction.
- (d) Each party irrevocably waives any right it may have to a jury trial of any action or proceeding in connection with this Mortgage.

15.3 Process agent

The Mortgagor irrevocably and unconditionally appoints and agrees to maintain ICO Services Limited (whose principal office is currently at its registered office) as its agent in England to receive, for and on behalf of itself, service of process in any proceedings before the courts of England.

15.4 Service

The Mortgagor irrevocably and unconditionally:

- (a) agrees that failure by any process agent to give notice of process served to it shall not impair the validity of such service or of any judgment based on that service; and
- (b) agrees that nothing in this Mortgage shall affect the right to service process in any other manner permitted by law.

16. THIRD PARTIES

Except as otherwise expressly provided in this Mortgage, the terms of this Mortgage may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

17. COUNTERPARTS

This Mortgage may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which is an original but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage as a deed with the intention that it be delivered the day and year first before written, and the Collateral Agent has executed this Mortgage.

EXECUTED as a DEED for and on)
behalf of ICO NORTH AMERICA,)
INC. acting by its authorized signatory)
who in accordance with the territory in)
which ICO NORTH AMERICA,)
INC. is incorporated, is acting validly)
and properly under the authority of)
ICO NORTH AMERICA, INC.)


Craig Jorgens, President

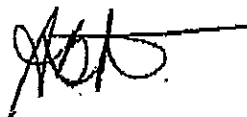
Witnessed by: Signature:



Name: Kelly Meadows

Address: 1698 Baywood Dr.
Concord, CA 94521

EXECUTED for and on behalf of)
BANK OF NEW YORK for and on)
behalf of itself and the Secured Parties)



STACEY B. POINDEXTER
ASSISTANT VICE PRESIDENT

SCHEDULE

| Amount or number of security | Description of registered security |
|---------------------------------------|--|
| 100,000 ordinary shares of £1 each | Shares in ICO Services Limited (registered no. 03045294) |
| 10,000,000 ordinary shares of £1 each | Shares in ICO Satellite Services Limited (registered no. 04367509) |